

APPENDIX 2

Potrero Power Plant Citizens Advisory Task Force

Comments on the California Energy Commission's (CEC) Preliminary Staff Assessment (PSA) of the Potrero Power Plant Unit 7 Project

The Power Plant Task Force appreciates the CEC's effort to analyze Mirant Potrero LLC's application to develop a 540 Megawatt (MW) plant at the site of the existing Potrero Power Plant. Although the PSA provides critical information with which to evaluate the environmental implications of the proposed plant expansion, several issues are under-evaluated, omitted, or placed in an inappropriate context. Furthermore, the City and County of San Francisco's Human Health and Environment Protections for New Electric Generation Ordinance is inappropriately omitted from PSA consideration.

In general, the CEC should ensure that the project meet tight legal standards. As indicated in the PSA, California State Health and Safety Code 41700 states:

no person shall discharge from any source whatsoever such quantities of air contaminants or other material which cause injury, detriment, nuisance, or annoyance to any considerable number of persons or public, or which endanger the comfort, repose, health, or safety of any such persons or the public, or which cause, or have a natural tendency to cause, injury or damage to business or property.

This legal requirement to fully protect public health provides the standard by which the proposed expansion should be evaluated. However, as is discussed below, the CEC has failed to uphold this standard throughout the PSA.

- (1) ***Air quality impacts have not been fully acknowledged, addressed or properly mitigated.*** The PSA's basic approach to evaluation of the pollution created by the new plant is unacceptable. Any net increase in each criteria contaminant should be evaluated and offset. "Attainment" is too lax a standard for local air quality and will result in an unacceptably increased exposure of the local community to harmful pollutants and carcinogens. This new plant and its "best available technology" must result in improved local air quality, not increased levels of contaminants.

The PSA accurately identifies particulate matter (PM10) as an adverse impact of the proposed plant. However, it is unclear whether the mitigation measure proposed, retiring diesel-powered buses, is adequate. For example, have the bus emissions been adequately

discounted for the number of buses which would be retired anyway? Likewise, the Assessment indicates that Fall/Winter is the period in which the community is most severely impacted by PM10 emissions--does the timing of the bus emission offsets match plant emissions?¹ The school bus contract is not concurrent with the life of the plant. *PSA Page 4.1-24, Air Quality, Staff Recommended Alternative PM10 Mitigation and Page 4.1-55, Air Quality, Appendix B, Proposed Lower Emissions School Bus Retrofitting Program*

The PSA suggests that the 600 pounds of ammonia emitted by the plant daily will have no public health or environmental impact and completely ignores plant-related carbon dioxide (CO₂) emissions. The Task Force submits that any Californian presented with data indicating that hundreds of pounds of ammonia will be emitted every day close by schools, hospitals, and churches would find this an "annoyance" at best. CO₂ emissions contribute to global warming, which, if it occurs (and a majority of climatologists already believe it is) could severely impact the community. Both of these air contaminants should be fully mitigated. *PSA Page 4.1-15, Air Quality, Ammonia Emissions*

The community cannot accept any net increase in air contaminants.

- (2) ***Bay habitat loss has not been adequately addressed.*** The PSA concludes that plant expansion would result in significant loss of Bay habitat, and that plant discharges and "impingement" may adversely affect aquatic life. Some of these impacts can't be determined until after the plant is operating (i.e., after it's too late). These are critical environmental impacts, which should be fully offset before the plant is permitted.² *PSA, Page 4.2-15, Aquatic Biological Resources, Permanent Changes to Bay Habitat and Page 4.2-17, Aquatic Biological Resources, Impingement and Entrainment by the Cooling Water Intake*
- (3) ***Hazardous materials storage and transportation are not adequately investigated or mitigated.*** The PSA notes that there is a risk of fire and explosion associated with the plant's natural gas pipeline, but provides no information as to whether local emergency units are equipped to deal with this risk (e.g., has the necessary training and equipment; has developed an evacuation plan). Likewise, every five days a tanker truck carrying aqueous ammonia will make its way to the plant. Yet there is no indication in the Assessment that local conditions were examined to determine the risks associated with

¹In general the PSA does a poor job of offering effective environmental offsets. For example, no consideration is given to assessing per ton emission fees, and providing the resulting revenue to a community environmental trust fund, to be used to finance community-based offsets. Likewise, little thought is given to offsets -- such as early vehicle retirement or repair programs -- which, by being directly at low income families, could help address environmental justice concerns. In addition, it is unclear why the air district would accept SO₂ emission reductions to offset PM10 emissions, when, with operation of the proposed plant, the area would exceed ambient air quality standards by 190 percent.

²It is important to note that increased public health and environmental risk presents a tangible harm to the community, even if impacts never actually occur. For example, borrowers must pay higher costs to mitigate financial risks; so too should polluters to mitigate public health environmental risks.

the transport route. Instead, the PSA relies on generic data to make the assertion that there are no significant risks related to hazardous materials transportation. Transportation over water should be investigated and addressed in the same way. Given the risks associated with this aspect of plant operations, local conditions should be fully investigated before a risk determination is made. *PSA, Page 4.5-9, Hazardous Materials Management, Natural Gas and Aqueous Ammonia and Page 4.15-9, Worker Safety and Fire Protection*

- (4) ***Environmental justice is a critical issue.*** The CEC characterizes the plant site as "industrial," and dismisses concerns about environmental justice as insignificant. However, as is pointed out in the report, the plant is within 200 yards of a church, 800 yards of an elementary school, 900 yards of a recreational and day care center, and within a mile of a hospital which predominately serves low income families. This setting clearly meets any definition of a vulnerable population, and as such extra care should be taken with environmental concerns. The population clearly meets the requirements of threshold screening. However, the effects of the project on this population are inadequately addressed. *PSA, Land Use, Table 8.4-2, Potentially Sensitive Land Uses Within the Affected Area*
- (5) ***Land use developments not sufficiently addressed.*** The CEC's PSA characterizes the plant site as "industrial" but does not adequately address current mixed-use planning, (e.g., Pier 70 plans and currently approved residential use adjacent to the project). Nor does it address the effect of the project on current efforts to upgrade the Dogpatch neighborhood. *PSA, Land Use, Figure 2, Potrero Power Plant-Zoning Map*
- (6) ***Water supply shortages are not fully addressed.*** The PSA indicates that the water supply needed for plant operations could have significant impacts on the region, but states that there is insufficient information to assess possible mitigation. Given emerging water scarcity throughout the state, this impact should be fully investigated and offset before the final staff assessment. *PSA, Page 4.14-12, Soil and Water Resources, Environmental Impacts*
- (7) ***Water quality concerns are not fully addressed.*** The PSA indicates that absent a National Pollution Discharge Elimination System (NPDES) permit it cannot be determined whether the plant would induce significant water quality impacts. Given increasingly strict water quality standards associated with the California Toxics Rule and Total Maximum Daily Load Requirements (TMDL), it would seem important that appropriate water quality information should be developed to ensure that the plant meets future Bay water quality requirements. *PSA, Page 4.14-32, Soil and Water Resources, Conclusions and Recommendations*
- (8) ***Plant alternatives are barely addressed.*** The Assessment neglects to examine a range of viable alternatives to the plant, including building a smaller facility combined with aggressive distributed generation and energy efficiency deployment. A comprehensive evaluation of these options should be conducted. Likewise, there is no analysis of how the increased energy reliability provided by the plant will adversely impact the

development of alternative, lower-impact, resources.

The necessity of the closure of the Hunters Point plant is not adequately addressed.
PSA, Page 6-53, Alternatives Appendix B: Alternatives Eliminated From Detailed Analysis

- (9) ***No independent evaluation of plant operations has been conducted.*** Plant operations will critically influence environmental outcomes. Yet the CEC does not appear to have sponsored an independent analysis of possible operating scenarios, instead accepting Mirant's assertions. There is no independent analysis of the effect of hours and levels of operation. What are the effects of shutting down the plant for maintenance and ramping it up? Will it be shut down and ramped up frequently to match market conditions? Will the plant operate at full capacity each and every summer? Will there be a long-term contract to stipulate how it is to be run? Given recent evidence that power producers throughout the state have manipulated their operations as a means to enhance profit, it is essential that the CEC develop an independent understanding of potential plant operating characteristics, and examine the environmental impacts associated with the range of possibilities.
- (10) ***Although Mirant will make "windfall" profits, the community will receive little to no benefit from plant operations.*** The Assessment does not address plant revenues or profitability, nor the fact that the lion's share of profits will be sent to an out-of-state corporation. Instead, the PSA proposes to ensure that the community benefits through minimal school fees and low impact hiring practices. A comprehensive assessment of plant economics should be conducted, and mitigation measures should be commensurate with overall plant profitability.